

WELFARE EXEMPTION AUTHORITATIVE CITATIONS REVIEW

The following provides the authoritative citations for the welfare exemptions portion of the Exemptions Survey Topic. In general, citations include Constitutional provisions, sections of the Revenue and Taxation Code, other applicable statutes, court cases, Property Tax Rules, *Assessors' Handbook Sections*, Letters To Assessors, and legal annotations pertaining to the exemptions topic.

CITATION	DESCRIPTION
California Constitution	
article XIII, §4(b)	<i>Welfare (and Religious)</i> . Property used exclusively for religious, hospital, or charitable purposes and owned by corporations or other entities (1) that are organized and operated for those purposes, (2) that are nonprofit, and (3) no part of whose net earnings inures benefit of any private shareholder or individual, is exempt.
article XIII, §5	<i>Welfare (and Church)</i> . Exemptions granted or authorized by §3(f) apply to buildings under construction, land required for their convenient use, and equipment in them if the intended use would qualify the property for exemption.
Revenue and Taxation Code	
§75.21	Provides for application of the exemption to the supplemental assessment.
§75.23	Effective January, 1, 2012, SB 947 repealed this section. <i>Except for the homeowners' exemption</i> , an existing exemption may not be applied against a supplemental assessment due to change in ownership unless the transferee qualifies in his/her own right for the exemption as of the date of change in ownership.
§75.24	If a section 501(c)(3) organization establishes its status as a qualified organization with the BOE within 180 days of a change in ownership or completion of new construction, the property shall be eligible for exemption from supplemental assessment.
§214	<i>Welfare</i> . Property used exclusively for religious, hospital, scientific, or charitable purposes owned and operated by community chests, funds, foundations, limited liability companies, or corporations organized and operated for religious, hospital, scientific, or charitable purposes is exempt from taxation. Both the owner and any other user of the property must have a valid organizational clearance certificate

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	<p>issued by the BOE.</p> <p>A hospital is reputedly presumed to be organized and operated for profit if, in the immediately preceding fiscal year, operating revenues, as defined, exceeded operating expenses, as defined, by more than 10 percent. This is declaratory of existing law.</p>
§214.01	<p><i>Welfare.</i> The organization's formative document (articles of incorporation, trust, etc.) must contain a clause irrevocably dedicating its property to religious, charitable, scientific, or hospital purposes. If the BOE finds the document lacking, it shall notify the claimant, who is allowed until the next lien date to amend its document and receive an organizational clearance certificate.</p>
§214.02	<p><i>Welfare.</i> Until January 1, 2022, property used exclusively for animal or plant preservation, biotic communities, geographical or geological formations of scientific or educational interest, or recreational open-space lands, open to the public subject to reasonable restrictions, and owned and operated by a qualifying scientific or charitable fund, foundation, limited liability company, or corporation, qualifies for the welfare exemption. Beginning with the 2013-14 fiscal year, in determining whether property is used for exempt activity, consideration is not to be given to the use of activities resulting from in direct or in-kind revenues such as grazing leases, hunting and camping permits, caretaker rents, or admission fees, provided that the activities further the conservation objectives of the property.</p>
§214.1	<p><i>Welfare.</i> Provides the welfare exemption for facilities in the course of construction.</p>
§214.2	<p><i>Welfare.</i> Provides that facilities in the course of construction eligible for the welfare exemption include the demolition and razing of a building.</p>
§214.4	<p><i>Welfare and Religious.</i> For purposes of §207 and §214, a school of "less than collegiate grade" is one attendance at which exempts a student from attendance at a public full-time elementary or secondary day school under §48222 of the Education Code, or one at which a majority of the students are excused from such attendance under §48221 or §48226 of the same Code.</p>
§214.5	<p><i>Welfare.</i> Schools of collegiate or less than collegiate or both, owned and operated by religious, hospital, or charitable funds, foundations, limited liability companies or corporations qualifying under §214, are within the scope of the welfare exemption. This section shall not be construed to enlarge the college exemption.</p>

CITATION	DESCRIPTION
§214.6	<p><i>Welfare and Religious.</i> Property leased by a welfare exempt organization to a public school district, when used in a joint manner, is exempt. The non-profit organization need only attach the current lease agreement to the annual filing of the claim for the welfare exemption.</p> <ul style="list-style-type: none"> • Income must not exceed expenses. • The leased property must be within the boundaries of the political subdivision.
§214.8	<p><i>Welfare and Veterans' Organization.</i> The welfare or veterans' organization exemption shall not be granted to an organization, including a limited liability company, unless it qualifies under specific sections the Revenue and Taxation Code and Internal Revenue Code. In addition, the organization must also file with the assessor a valid organizational clearance certificate issued by the BOE.</p>
§214.9	<p><i>Welfare.</i> Provides that the hospital purpose of the welfare exemption includes outpatient clinics (psychiatric services for emotionally disturbed children, or nonprofit multispecialty clinic).</p>
§214.15	<p><i>Welfare.</i> Provides the welfare exemption to property owned and operated by a nonprofit corporation that is organized and operated for the specific and primarily purpose of building and rehabilitating single or multifamily residences for sale at cost to low-income family, with financing in the form of a zero interest rate loan (i.e., habitat for humanity).</p>
214.16	<p>A special section qualifying for the welfare exemption certain low-income rental housing during the period January 2, 2002 – January 1, 2009, as specified in section 214(g)(1)(D): previously owned by CalTrans, not owned by a limited partnership with a nonprofit managing general partner, etc.</p>
§215	<p><i>Veterans' Organization.</i> All personal property owned by an eligible veteran organization, used exclusively for the purposes of such organization, is exempt from taxation.</p>
§215.1	<p><i>Veterans' Organization.</i> All buildings owned by an eligible veteran organization, and the land required for the convenient use and occupation of the building(s), used exclusively for charitable purposes, is exempt from taxation.</p> <p>An organization seeking the veterans' organization exemption must file a valid OCC with the assessor.</p>
§254.6	<p><i>Welfare and Veterans' Organization.</i> To claim the welfare exemption, an organization must file an application for an OCC with the BOE. BOE staff will review the claim in light of specific criteria and notify the claimant of the determination. If denied, the claimant may file an appeal with BOE (must be in</p>

CITATION	DESCRIPTION
	<p>writing within 60 days of the date of mailing of the notice of ineligibility).</p> <p>BOE staff may revoke an OCC if the organization no longer meets the requirements of §214. A revocation may be appealed to the BOE.</p>
§255	<p><i>Affidavits for exemption, except homeowners'</i>, shall be filed with the assessor between the January 1 lien date and 5:00 p.m. on February 15. If the claimant is found ineligible for the church exemption or religious exemption, the organization may file a claim for the welfare exemption within 15 days from the date of notification by the assessor.</p>
§259.5	<p><i>Welfare.</i> The claim for welfare exemption shall show that the use requirements are met and that the claimant has a valid OCC.</p>
§259.7	<p><i>Veterans' Organization.</i> The claim for the veterans' organization exemption shall show that the use requirements are met and that the claimant has a valid OCC.</p>
§261	<p><i>Welfare.</i> Provides that a prerequisite to granting the welfare exemption on real property, the interest of the claimant must be of record on the lien date in the office of the recorder of the county where the property is located.</p>
§270	<p><i>Church, Religious, Welfare, Veterans' Organization.</i> If a claim is filed late (after February 15), a percentage of the assessment will be cancelled as follows:</p> <ul style="list-style-type: none"> • 90 percent if filed by next January 1; and, • 85 percent if filed after next January 1.
§271	<p><i>Church, Religious, Welfare, Veterans' Organization.</i> Taxes and penalties shall be canceled or refunded provided that the claim for exemption is filed within 90 days from the first day of the month following the month in which the property was acquired or by February 15 of the following calendar year, whichever is earlier. Only 85 percent cancellation is allowed if a claim for exemption is filed after the appropriate date, to a maximum penalty of \$250.</p> <p>Full cancellation applies to acquisitions by qualified organizations between lien date and June 30 and acquisitions between lien date and June 30 by qualified organizations not in existence on the lien date. Pro rata cancellation applies to acquisitions after June 30.</p>
§271.5	<p>Provides that property tax exemptions cease as of the date of sale or transfer of the property. Applies to property sold or transferred after January 1, 2012.</p>
§469	<p>Provides in pertinent part that only locally assessable trade fixtures and business tangible personal property of a taxpayer entity that is not fully exempt from property taxation are subject to the mandatory audit requirement.</p>
§531.1	<p>Allows the assessor to enroll an escape assessment when the exemption has been</p>

CITATION	DESCRIPTION
	erroneously allowed on a property that is not eligible. Applies to property sold or transferred after January 1, 2012.
Property Tax Rules	
Rule 136	<i>Welfare Exemption.</i> Limited liability companies as qualifying organizations for the welfare exemption.
Rule 137	<i>Welfare Exemption.</i> Staff housing owned by religious, charitable, scientific, or hospital organizations may be eligible for the welfare exemption to the extent that it is institutionally necessary to accomplish the exempt purposes of the organization. It is the organization's use of the property, not the occupant's use that is determinative.
Rule 140	<i>Welfare Exemption.</i> Defines and makes specific the terms "regulatory agreement," "deed restriction," "federal low-income tax credits," "government financing," "lower income households," and "other legal document" as used in Revenue and Taxation Code section 214, subdivision (g) providing for the welfare exemption for low-income housing properties.
Rule 140.1	<i>Welfare Exemption.</i> Defines the term "managing general partner" of a limited partnership and implements and makes specific the requirements that the managing general partner must meet in order for the low-income housing property, owned and operated by the limited partnership, to qualify for the welfare exemption.
Rule 140.2	<i>Welfare Exemption.</i> Implements and makes specific the requirements for a supplemental clearance certificate that the limited partnership, in which the managing general partner is a qualifying nonprofit organization, must meet for each low-income housing property for which it intends to claim the welfare exemption under section 214, subdivision (g).
Rule 143	<i>Welfare Exemption.</i> Specifies the legal requirements for the irrevocable dedication and dissolution clauses required in articles of incorporation submitted to the BOE by organizations seeking an <i>Organizational Clearance Certificate</i> .
Rules for Tax Appeals	
§5333 – 5333.6	Petitions of Denial of Claim for Organizational Clearance Certificate
Assessors' Handbook	
AH 267, Welfare, Church, and Religious	<i>Church, Religious and Welfare Exemption.</i> Part one deals with all aspects of the welfare exemption. Part II deals with the church and religious exemptions (including parking areas).

CITATION	DESCRIPTION
<i>Exemptions</i> (Oct. 2004)	
BOE Publications	
Publication 149 , <i>Property Tax Welfare Exemption</i> (May 2012)	A guide to the requirements for the welfare exemption, including the Board's role in co-administering the exemption with county assessors.
LTA's	
82/06	<i>Welfare</i> . Religious seminaries may qualify for either the college or the welfare exemption, depending upon the nature of the school and its operations.
86/45	<i>Welfare</i> . Property owned by a college and used by a religious, scientific, charitable, or hospital organization for its exempt purposes may receive the welfare exemption, provided that both the college and the using organizations possess proper credentials. However, property owned by a welfare exempt organization and used by a college for educational purposes of collegiate grade is ineligible for the welfare exemption.
92/04	<i>Welfare</i> . To receive the welfare exemption as a museum, the property claimed to be exempt must be used primarily as a museum. A museum is a place specifically designated for the display and storage of artifacts and objects of art open to the public during normal operating hours, and the public is aware of this use. The display of the objects is more important than the storage function. (<i>Fellowship of Friends v. County of Yuba</i> (1957) 235 Cal.App.3d 673).
2003/070	<p><i>Welfare and Veterans' Organization</i>. Explains the effects of SB 1062 (Chapter 471, Stats. 2003) upon the administration of the welfare and veterans' organization exemptions. The BOE will now determine whether <i>the organization</i> is eligible for exemption, while the county assessor will determine whether <i>the use of the property</i> is eligible for the exemption.</p> <p>The BOE will issue <i>Organizational Clearance Certificates (OCC)</i>, notify organizations (and assessors) of ineligibility or revocation of such certificates, periodically verify organizations' continuing eligibility for exemption. If a certificate is denied or revoked, a BOE hearing procedure is established for claimants to appeal the denial.</p> <p>County assessors will (without review by BOE staff) review claims (filed only with the assessor's office) to determine if the property use qualifies for</p>

	exemption, and must notify a claimant in writing of ineligibility, if the property's use does not qualify, and of the administrative remedy (claim for refund and action in superior court). <i>The assessor may not, however, grant a claim unless the organization holds a valid OCC issued by the BOE.</i>
2003/095	<p><i>Welfare.</i> Explains revised BOE duties with regard to the welfare exemption for low-income rental housing owned and operated by limited partnerships. The BOE will determine whether the managing general partner (1) is a qualifying nonprofit organization and (2) has sufficient management authority and duties to qualify the property for exemption. If the BOE finds that the organization does not qualify and denies its claim for a <i>Supplemental Clearance Certificate for Managing General Partner</i> (form BOE-277-L1), it must notify the claimant in writing and provide a hearing procedure for appeal of the denial.</p> <p><i>Note: beginning in 2009, only form BOE-267-L need be filed by limited partnerships.</i></p>
2004/058	<p><i>Welfare.</i> Revised claim forms for the welfare inspection. Includes first-filing form, annual filing, field inspection report, supplemental affidavit for limited partnerships, veterans' organization claim and field inspection report, claim for organizational clearance certificate (OCC), supplemental clearance certificate for managing general partner, periodic filing for OCC, and claim for OCC-veterans' organization.</p>
2004/085	<p><i>Welfare.</i> Provided basic information on the adoption of Rule 136 and distributed a copy of the rule. All LTA's are available on the Board's website and may be accessed from the Property Tax page by selecting "Letters to Assessors."</p>
2005/019	<p><i>Welfare.</i> Provided the requirements for the welfare exemption for nonprofit limited liability companies and distributed revised claim forms. <i>Note: these claim forms are now outdated and have not been included as attachments to this LTA in the Authoritative Citations .</i></p>
2008/034	<p><i>Welfare.</i> As directed by the elected Board in March 2008, the BOE exemptions staff will retain its historic interpretation of the <i>community benefit test</i> for the welfare exemption and will continue to require that an organization's claimed charitable activities must be found to primarily benefit persons within the geographical boundaries of the State of California.</p>
2008/054	<p>If a portion of a structure or site receiving the church, religious, or welfare exemption is used to mount a cell tower for commercial purposes, that portion becomes taxable. The assessor must apply a valuation methodology that satisfactorily values the taxable portion of structure and/or land.</p>
2009/18	<p><i>Welfare.</i> 2009-10 low-income limits for low-income rental housing and</p>

	moderate income limits for elderly or handicapped rental housing
<u>2009/19</u>	<i>Welfare.</i> 2009-10 low-income limits for leased section 236 and Indian tribal rental housing.
<u>2009/34</u>	<i>Welfare.</i> 2010-11 low-income limits for low-income rental housing and moderate income limits for elderly or handicapped rental housing
<u>2009/35</u>	<i>Welfare.</i> 2010-11 low-income limits for leased section 236 and Indian tribal rental housing.
<u>2009/55</u>	<p>Clarifies that existing law allows the welfare exemption on property owned by a nonprofit organization that is leased to a public school, community college, state college, or state university, including the University of California, when the property is used for educational purposes. The non-profit organization must attach a copy of the lease agreement when annually filing for the welfare exemption.</p> <p>The following conditions of the lease must also be met:</p> <ul style="list-style-type: none"> • Income does not exceed expenses. • The leased property is within the boundaries of the political subdivision.
<u>2010/057</u>	Allows the destruction of original exemption claims, after preservation in a medium that captures the documents and can be later retrieved, as set forth in R & T §465.
<u>2010/040</u>	<i>Welfare.</i> 2011-12 low-income limits for low-income rental housing and moderate income limits for elderly or handicapped rental housing.
<u>2010/041</u>	<i>Welfare.</i> 2011-12 low-income limits for leased section 236 and Indian tribal rental housing.
<u>2011/033</u>	<i>Welfare.</i> 2012-13 low-income limits for low-income rental housing and moderate income limits for elderly or handicapped rental housing.
<u>2011/044</u>	<i>Welfare.</i> This letter clarifies LTA 2008/034's use of the term "primarily" in the administration and application of the community benefit test to a charitable organization's claimed charitable activities for purposes of the welfare exemption.
<u>2012/026</u>	Effective January 1, 2012, SB 947 adds section 271.5 to repeal section 75.23 and amends section 531.1 to clarify that certain property tax exemptions cease as of the date of sale or transfer of the property. Applies to college, cemetery, church, religious, exhibition, veterans' organization, tribal housing, and welfare exemptions.

2012/034	<i>Welfare.</i> 2013-14 low-income limits for low-income rental housing and moderate income limits for elderly or handicapped rental housing.
2012/037	<i>Welfare.</i> 2013-14 low-income limits for leased section 236 and Indian tribal rental housing.
2013/040	<i>Welfare.</i> 2014-15 low-income limits for leased section 236 and Indian tribal rental housing.
2013/041	<i>Welfare.</i> 2014-15 low income limits for low-income rental housing and moderate income limits for elderly or handicapped rental housing.
Annotations	
870.0001	<i>Veterans' Organization.</i> Rooms used for social club purposes are not eligible for the veterans' organization exemption.
880.0002 - 880.0790	<i>Welfare.</i> BOE staff guidance on various aspects of the welfare exemption.

DISABLED VETERANS' EXEMPTION AUTHORITATIVE CITATIONS REVIEW

The following provides the authoritative citations for the disabled veterans' exemption portion of the Exemptions Survey Topic. In general, citations include Constitutional provisions, sections of the Revenue and Taxation Code, other applicable statutes, court cases, Property Tax Rules, *Assessors' Handbook Sections*, Letters To Assessors, and legal annotations pertaining to the exemptions topic.

CITATION	DESCRIPTION
California Constitution	
<u>article XIII, §3(o), (p), & (q)</u>	<i>Disabled Veterans' and Veterans'</i> . Provides definition of veteran for purposes of these exemptions.
<u>article XIII, §4(a)</u>	<i>Disabled Veterans</i> . Exemption available for qualified veterans or their unmarried surviving spouse to reduce their property tax liability on property that constitutes their principal place of residence.
Revenue and Taxation Code	
<u>§75.21</u>	Provides for application of the exemption on the supplemental assessment and the corresponding filing dates and penalties for late filing on a supplemental assessment.
<u>205.5</u>	Specifies what property is eligible; defines "veteran;" sets household income limit and provides for indexing of the amount starting in 2002; sets exemption limits and provides for inflation indexing of the amount starting in 2006. Beginning with the 2012-13 fiscal year and for each fiscal year thereafter, property is deemed to be the principal place of residence of the unmarried surviving spouse of a deceased veteran, who is confined to a hospital or other care facility, if that property would be the unmarried surviving spouse's principal place of residence were it not for his or her confinement to a hospital or other care facility, provided that the residence is not rented or leased to a third party. For purposes of this paragraph, a family member who resides at the residence is not considered to be a third party.

CITATION	DESCRIPTION
205.6	The BOE is authorized to act as the statewide clearinghouse for disabled veterans' exemption claims to prevent multiple claims and improper overlapping with the homeowners' exemption from being granted to persons filing more than one claim anywhere in the state. However, it is at the county's discretion to supply information (social security number of claimant and spouse, if any, and property identification). However, it is optional for the county to submit information to the BOE.
§276	Late filing for the disabled veterans' exemption for low-income claimants who must annually file and for the current year of initial filing when claimants are filing current and prior years late: 90 percent between February 15 and December 10 of the same year, 85 percent thereafter.
276.1	Disabled veterans can receive the full exemption (no late filing penalties), effective as of their disability rating date if the claimant files a claim for the exemption 90 days after receiving the rating or on or before the next lien date, whichever is later . The exemption is prorated as of the qualifying date.
§276.2	If a claim for exemption is filed the later of 90 days or on or before the next lien date after the property became eligible, the full amount of the exemption will be retroactively applied to the taxable value, pro rated from the date of eligibility. Exemption applies to lien, supplemental, and/or escape assessments. Proration of exemption as of the qualifying date.
§276.3	The disabled veterans' exemption will cease when the property is sold or when the claimant ceases to occupy the home as his or her principal residence.
§277	To claim the disabled veterans' exemption, a person must submit a claim with all BOE-required information, including social security number(s), and also proof of disability. The claim form used should state "Not Subject to Public Inspection."
§278	The assessor must annually mail prior to lien date (pending legislative change) a change in eligibility notice to all persons who received the disabled veterans' exemption for the prior year and still own the property.
§279	An approved disabled veterans' exemption remains in effect until title to the property changes, the owner no longer occupies it as principal residence (excluding hospital or care facility confinement), the property ceases to be a dwelling, the veteran is no longer disabled, or the unmarried surviving spouse remarries (AB 946, 2011). The assessor shall provide for periodic audit of exemption claims.

CITATION	DESCRIPTION
§279.5	The taxpayer is responsible for notifying the assessor when the property is no longer eligible for the exemption. If the taxpayer's error leads to the exemption being incorrectly allowed, an escape assessment may result, along with penalty and interest.
408(a)	Disabled veterans' exemption claims are not public documents and are not open to public inspection (as of January 1, 2007).
LTA's	
89/77	Clarifies that an unmarried surviving spouse who was receiving the exemption no longer qualifies for it once remarried; however if that spouse later becomes single again, the exemption may be restored. Also clarifies that, in the case of a veteran who was not totally disabled during his or her lifetime but later died from causes that were service-connected, the unmarried surviving spouse is eligible for the exemption.
93/52	Disabled veterans' exemption expanded to include the unmarried surviving spouse of a person who, as a result of a service-connected injury or disease, died while on active duty in the military service. Previously a person had to have been discharged from the service to be considered a veteran for property tax exemption purposes.
95/57	Proposition 160 and its enabling legislation, Chapter 140 (Assembly Bill 162, Stats. of 1994), extended the benefits of the disabled veterans' property tax exemption to the unmarried surviving spouse of a person who died while on active duty in the military service, provided the deceased served during a time of war or in a campaign or expedition for which a medal was issued by Congress. LTA includes a list of the current qualifying periods of service, excluding those prior to World War I, which is useful in administering the exemption.
2001/002	<p>Amendments to the disabled veterans' exemption effective September 29, 2000, include the following:</p> <ul style="list-style-type: none"> • The exemption amounts of \$100,000 and \$150,000 are made permanent (§205.5) • The definition of blindness is updated (§205.5) • The income threshold is raised, and automatic annual adjustments for the low-income exemption are instituted (§205.5) • Partial retroactive exemptions are permitted for any eligible person who did not file a timely claim (§276) • Full retroactive exemptions are permitted for veterans who had

CITATION	DESCRIPTION
	<p>applications pending for a disability rating (§276.1)</p> <ul style="list-style-type: none"> • Full exemption is permitted for property acquired after the lien date (§276.2) • Immediate termination of the exemption for property sold to an ineligible third party (§276.3)
2005/036	<p>Revenue and Taxation Code section 205.5 provides that the exemption amount and the household income limit for the disabled veterans' exemption shall be compounded annually by an inflation factor. Specifically, subdivisions (g) and (h) of section 205.5 provide that, for each assessment year, the inflation factor shall be the annual percentage change, measured from February to February of the two previous assessment years, rounded to the nearest one-thousandth of 1 percent, in the California Consumer Price Index (CCPI) for all items, as determined by the California Department of Industrial Relations.</p> <p>This LTA provides the 2006 disabled veterans exemption amounts and income limit for the low-income disabled veterans' exemption.</p>
2007/036	<p>Draft of Disabled Veterans Exemption chapter for proposed Assessors' Handbook. This is a draft only; however, it provides detailed information on the exemption and its administration at the county level.</p>
2008/082	<ul style="list-style-type: none"> • Allows the disabled veterans' exemption to remain in effect if a home is totally destroyed in a disaster for which the Governor proclaimed a state of emergency. • Allows exemption when dwelling is not occupied on the lien date because it was partially damaged in a misfortune or calamity (regardless of whether or not Governor issues a proclamation of a state of emergency) while home is being rebuilt • Exemption will remain in effect on above provided the person intends to return to the home.
2010/056	<p>Notification of amendment to R & T §276.1 which increases the time a claimant has to file a claim from 30 days to 90 days (or the next lien date, whichever is later) after the date of the DVA rating letter.</p> <p>Removes the precondition that the DV must have had a pending application with the USDVA.</p>
2010/057	<p>Allows the destruction of original claims, including disabled veterans' exemption claims, after preservation in a medium that allows the documents to be later retrieved, as set forth in R & T §465.</p>

CITATION	DESCRIPTION
2012/014	Summarizes two legislative bills effective January 1, 2012 which clarify non-substantive changes to sections 205.5, 276.2, 278 and 279.
2013/022	Allows availability of the disabled veterans' exemption to a person who has been awarded a mortgage-free home under a contract for deed with the Military Warriors Support Foundation.
2013/027	Provides the 2014 disabled veterans exemption amounts and income limit for the low income disabled veterans' exemption. Also includes a table showing the amounts and income limits since 2001.
2014/024	Provides a list of the more frequent recommendations for the Disabled Veteran's Exemption topic and offers guidance on the processing procedures related to these recommendations.
Annotations	
350.0001 – 350.0050.	<i>Disabled Veterans'</i> . Correspondence regarding the disabled veterans' exemption.

CHURCH AND RELIGIOUS EXEMPTIONS AUTHORITATIVE CITATIONS REVIEW

The following provides the authoritative citations for the church and religious exemptions portion of the Exemptions Survey Topic. In general, citations include Constitutional provisions, sections of the Revenue and Taxation Code, other applicable statutes, court cases, Property Tax Rules, *Assessors' Handbook Sections*, Letters To Assessors, and legal annotations pertaining to the exemptions topic.

CITATION	DESCRIPTION
California Constitution	
<u>Article XIII, §3(f)</u>	<i>Church.</i> Buildings, land on which they are situated, and equipment used exclusively for religious worship are exempt.
<u>Article XIII, §4(d)</u>	<i>Church.</i> Real property (whether owned or leased) not used for commercial purposes, that is reasonably and necessarily required for parking vehicles of persons worshipping on land exempt by article XIII, §3(f), is exempt.
<u>Article XIII, §4(b)</u>	<i>Religious (and Welfare).</i> Property used exclusively for religious, hospital, or charitable purposes and owned or held in trust by corporations or other entities (1) that are organized and operating for those purposes, (2) that are nonprofit, and (3) no part of whose net earnings inures to the benefit of any private shareholder or individual, may be exempt.
<u>Article XIII, §5</u>	<i>Church (and Welfare).</i> Exemptions granted or authorized by §3(f) apply to buildings under construction, land required for their convenient use, and equipment in them if the intended use would qualify the property for exemption.

Revenue and Taxation Code	
§75.21	Provides for application of the exemptions on a supplemental assessment.
§75.23	Effective January 1, 2012, SB 947 repealed this section. An exemption that was granted on a property shall no longer apply as of the date of change in ownership if the property is sold to a person or organization that does not qualify for the exemption.
§75.24	If a section 501(c)(3) organization uses the property in an exempt manner within 180 days of a change in ownership or completion of new construction, the property shall be eligible for exemption from supplemental assessment. This section is also the basis for granting an exemption on the regular bill under §271. Although church/religious orgs can be 501 c 3, does this apply when exempt under church / religious exemption?
§206	<i>Church.</i> The church exemption is as specified in the Constitution. The property may be owned or leased.
§206.1	<p><i>Church.</i> Land used for church parking, whether owned by or leased to claimant, may be eligible for the exemption. If leased, certain conditions apply:</p> <ul style="list-style-type: none"> • The congregation must have no more than 500 members; • The land and improvements must be leased and used for parking by members of the religious organization • The lease terms require the lessee organization to pay property taxes; and, • The county and property owner agree that the owner will pay real property taxes during a specified period if the leased property is not used exclusively for qualified parking.
§206.2	<i>Church.</i> Reduction of property taxes on leased property granted the church exemption shall inure to the benefit of the lessee.
§207	<p><i>Religious.</i> Real Property owned and operated by a religious organization is exempt if used for:</p> <ul style="list-style-type: none"> • Religious worship, or • Religious worship and schools of less than collegiate grade, or • Religious worship and schools of collegiate grade <i>and</i> schools of less than collegiate grade. Use for worship and schools of collegiate grade alone (without schools of less than collegiate grade) or use by schools of collegiate grade alone does not qualify. This exemption shall be known as the religious exemption.

§207.1	<i>Religious</i> . Personal property leased to a religious organization and used exclusively for purposes described in §207 shall be considered eligible for the religious exemption.
§214.4	<i>Religious (and Welfare)</i> . For purposes of §207 and §214, a school of "less than collegiate grade" is one attendance at which exempts a student from attendance at a public full-time elementary or secondary day school under §48222 of the Education Code, or one at which a majority of the students are excused from such attendance under §48221 or §48226 of the same Code.
§214.6	<p><i>Religious (and Welfare)</i>. Property leased by a religious organization to a public school district – religious organization files form BOE-263-C, <i>Church Lessors' Exemption Claim</i>, and affirms:</p> <ul style="list-style-type: none"> • Income does not exceed expenses. • The leased property is within the boundaries of the political subdivision. <p>This will provide a welfare exemption to the religious organization who has filed the one-time filing religious exemption.</p>
§255	<p><i>Annual affidavits for exemptions, except homeowners'</i>, shall be filed with the assessor between the January 1 lien date and 5:00 p.m. on February 15. If the claimant is found ineligible for the church exemption or the religious exemption, the organization may file a claim for the welfare exemption within 15 days from the date of notification by the assessor without late-filing penalties.</p>
§256	<p><i>Church</i>. The affidavit for church exemption shall show that:</p> <ul style="list-style-type: none"> • The buildings and equipment are used solely for religious worship; and, • The land claimed as exempt is required for convenient use of the building. <p>Each year before the lien date, county assessors mail a claim form for the church exemption to all recipients of such exemption in the prior year, except where the prior recipient has transferred title to the property since the prior lien date.</p>
§257	<p><i>Religious</i>. Any person claiming the religious exemption shall submit to the assessor an affidavit giving specific information relating to the property tax exemption.</p> <p>The affidavit for the religious exemption shall show that:</p> <ul style="list-style-type: none"> • The building, equipment, and land are used exclusively for religious purposes; • The land claimed as exempt is required for the building's convenient use;

	<ul style="list-style-type: none"> • The entity is nonprofit; and, • No part of the net earnings inures to the benefit of any private individual. <p>Any exemption granted pursuant to a claim filed in accordance with this section, once granted, shall remain in effect until such time as title to the property changes or the property is no longer used for (religious) exempt purposes. (One time-filing only, annual filing not required unless a change has occurred.)</p> <p>Any person who is granted an exemption pursuant to a claim filed in accordance with this section shall notify the assessor if the property becomes ineligible for the exemption.</p> <p>Discovery of an incorrectly allowed exemption, in full or partial, shall be cancelled on the property no longer eligible and escape assessment made, with interest and applicable penalty, not exceeding \$250.</p>
§257.1	<p><i>Religious.</i> Requires that the assessor annually send a notice to all recipients of the religious exemption advising them to terminate the exemption if the property, or any portion thereof, no longer qualifies for exemption. The form is BOE-prescribed (form BOE-267-SNT).</p> <p>Request is made for the notice to be returned to the assessor, although failure to return does not constitute waiver of the exemption, but may result in an onsite inspection. No late filing penalties may be assessed if form not returned.</p>
§270	<p><i>Church, Religious, Welfare, Veterans' Organization.</i> If a claim is filed late (after 5:00pm, February 15), a percentage of the assessment will be cancelled as follows:</p> <ul style="list-style-type: none"> • 90 percent if filed on or before next January 1; and, • 85 percent if filed after that date, subject to 4-year statute of limitations • The maximum penalty is \$250.
§271	<p><i>Church, Religious, Welfare, Veterans' Organization.</i> Taxes and penalties, prorated from the date of acquisition, shall be canceled or refunded provided that the claim for exemption is filed within 90 days from the first day of the month following the month in which the property was acquired or by February 15 of the following calendar year, whichever is earlier. Only 85 percent cancellation is allowed if a claim for exemption is filed after the appropriate date, to a maximum penalty of \$250.</p>
§271.5	<p>Provides that property tax exemptions cease as of the date of sale or transfer of the property. Applies to property sold or transferred after January 1, 2012.</p>
§469	<p>Provides in pertinent part that only locally assessable trade fixtures and</p>

	business tangible personal property of a taxpayer entity that is not fully exempt from property taxation are subject to the mandatory audit requirement.
531.1	Allows the assessor to enroll an escape assessment when the exemption has been erroneously allowed on a property that is not eligible. Applies to property sold or transferred after January 1, 2012.
Assessors' Handbook	
AH 267 , <i>Welfare, Church, and Religious Exemptions</i> (October 2004)	<i>Church, Religious and Welfare Exemption.</i> Part one deals with all aspects of the welfare exemption. Part II deals with the church and religious exemptions (including parking).
BOE Publications	
Publication 48 , <i>Property Tax Exemptions for Religious Organizations</i> (April 2007)	An informational guide booklet for claimants and assessors discussing exemption available for religious organizations. Pages 1-11 compare and contrast the three different exemptions available for religious organizations: church, religious, and welfare and discuss filing requirements for each exemption. For an in-depth explanation, see AH 267.
LTA's	
2008/054	If a portion of a structure or site receiving the church, religious, or welfare exemption is used to mount a cell tower for commercial purposes, that portion becomes taxable. The assessor must apply a valuation methodology that satisfactorily values the taxable portion of structure and/or land.
2012/026	Effective January 1, 2012, SB 947 adds section 271.5 to repeal section 75.23 and amends section 531.1 to clarify that certain property tax exemptions cease as of the date of sale or transfer of the property. Applies to college, cemetery, church, religious, exhibition, veterans' organization, tribal housing, and welfare exemptions.
Annotations	
230.0001 - 230.0040	<i>Church.</i> BOE legal staff correspondence dealing with various aspects of the church exemption, including sales, nursery schools, church and non-church uses, late filing, etc.

<u>240.0005 - 240.0011</u>	<i>Church.</i> Correspondence regarding church parking areas.
<u>730.0001 - 730.0050</u>	<i>Religious.</i> Correspondence regarding the religious exemption.